STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

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) File Number: 0800463
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Amended Notice of Hearing

TO RESPONDENTS:

Gregory Webb 304 E. Fairview

Arlington Heights, Illinois 60005

Gregory Webb

1612 Landmeier Road, Suite F Elk Grove Village, Illinois 60007

InfrAegis, Inc.

1612 Landmeier Road, Suite F Elk Grove Village, Illinois 60007

InfrAegis, Inc.

c/o MS Registered Agent Services 191 N Wacker Drive, Suite 1800

Chicago, Illinois 60606

Bacteria Sciences Worldwide, LLC Watergate Office Complex 2600 Virginia Ave. NW, Suite 606 Washington, D.C. 20037 USA

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C. Robert Abbott Director and Chief Product Officer 1612 Landmeier Road, Suite F Elk Grove Village, Illinois 60007

James R. Zilka

Chief Financial Officer

1612 Landmeier Road, Suite F Elk Grove Village, Illinois 60007

Courtesy copy to:

Steve Blonder Much Shelist

191 N. Wacker Drive Chicago, Illinois 60606

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 15th day of July, 2009 at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Gregory Webb, C. Robert Abbott, James R. Zilka, Bacteria Sciences Worldwide, LLC, and InfrAegis Inc., (the "Respondents") from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

Count I FAILURE TO REGISTER SECURITIES

- 1. Respondent Gregory Webb ("Webb"), a natural person, has a last known address of 304 E. Fairview, Arlington Heights, Illinois 60005 and a last known business address of 1612 Landmeier Road, Elk Grove Village, Illinois 60007. Respondent Webb is President and CEO of InfrAegis.
- 2. Respondent InfrAegis, Inc. ("InfrAegis") is a Delaware Corporation and maintains a business location at 1612 Landmeier Road, Unit F, Elk Grove Village, Illinois 60007.
- 3. Respondent Bacteria Sciences Worldwide, LLC, ("BSW") is touted as an InfrAegis company on both the InfrAegis web site and the BSW website, and maintains a business address of Watergate Office Complex, 2600 Virginia Ave. NW, Suite 606, Washington, D.C. 20037. BSW does not maintain an Illinois Corporation File with the Illinois Secretary of State.

- Respondent C. Robert Abbott ("Abbott"), a natural person, has a last known business address of 1612 Landmeier Road, Elk Grove Village Illinois 60007.
 Respondent Abbott is the Director and Chief Product Officer of InfrAegis and BSW.
- 5. Respondent James R. Zilka ("Zilka"), a natural person, has a last known business address of 1612 Landmeier Road, Elk Grove Village Illinois 60007. Respondent Zilka is the Chief Financial Officer of InfrAegis and BSW.
- 6. On September 11, 2008, an Illinois Resident contacted the Illinois Secretary of State Securities Department with information regarding a recruitment offer he received from InfrAegis and BSW.
- 7. The Illinois Resident met with Webb and Abbott on September 4, 2008. During that meeting Webb and Abbott told him that respondents, InfrAegis and BSW, needed to raise Two Hundred Fifty Million Dollars (\$250,000,000.00) in order to get the funding of One Billion Dollars (1,000,000,000.00) from an interested investor, DLM.
- 8. The Illinois Resident inquired of Webb and Abbott as to the pendency of the Illinois Secretary of State Securities case (file number C0700225). Webb told him that the case was thrown out of court and they were waiting for the final documents.
- 9. Webb and Abbott also told the Illinois Resident that InfrAegis and BSW needed to raise Ten Million Dollars (\$10,000,000.00) in "short term funding" in addition to the Two Hundred Fifty Million Dollars.
- 10. Webb and Abbott offered the Illinois Resident a Short Term Loan Agreement ("Collateralized Note") on behalf of InfrAegis and BSW, with common shares of InfrAegis stock as collateral for the loan.
- 11. Webb and Abbott also recruited the Illinois Resident to sell the Collateralized Note of InfrAegis stock to the public.
- 12. Respondents, Webb and Abbott, offered the Illinois Resident as compensation for selling the Collateralized Notes, Fifty Percent (50%) of the amount raised, to be paid no more than 180 days from the effective date of this Agreement.
- 13. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 et. seq.] (the "Act").
- 14. Respondents, InfrAegis, BSW, Webb and Abbott failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
- 15. Section 12.A of the Act provides where alia, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."

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- 16. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
- 17. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

Count II

FRAUD IN THE SALE OF SECURITIES

- 1-13 That paragraphs one (1) through twelve (12) of Count I are realleged and incorporated herein as paragraphs one (1) through (13) of this Count II.
- 14. That in the Respondents attempts to Offer and Sell Collateralized Notes; Respondents materially misrepresented the true and accurate disposition of the Illinois Secretary of State Securities case (file number C0700225, which remains pending and unresolved) in order to induce a sale of a security.
- 15. Section 12.F of The Act states that it shall be a violation of the provisions of this Act for any person to, "engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
- 16. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to, "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
- 17. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
- 18. By virtue of this conduct, Respondents violated Sections 12.F, 12.G, and 12.I of the Act. The aforementioned findings are based upon credible evidence.

Count III

FAILURE TO RESPOND TO SUBPOENA

- 1-13. That paragraphs one (1) through twelve (12) of Count I are realleged and incorporated herein as paragraphs one (1) through (13) of this Count III.
- 14. On April 10, 2009 the Illinois Secretary of State Securities Department issued Subpoenas to Respondent Greg Webb, Respondent C. Robert Abbott, and James R. Zilka via certified mail, return receipt requested.
- 15. That the return date for all the Subpoenas was April 30, 2009, as of May 27, 2009, there has been no response from the respondents.

- 16. That the Respondents failed and refused to respond and continue to fail to respond to the Supboenas Issued by the Illinois Secretary of State Securities Department.
- 17. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
- 18. By virtue of the foregoing, Respondent violated Section 12.D of the Act.

Count IV

VIOLATION OF ORDERS OF PROHIBITION

- 1-13. That paragraphs one (1) through twelve (12) of Count I are realleged and incorporated herein as paragraphs one (1) through (13) of this Count III.
- 14. That on October 22, 2007, a Temporary Order of Prohibition ("2007 Order") was served on the respondents, prohibiting them from offering or selling securities in the State of Illinois.
- 15. That the Respondents were served with the Temporary Order of Prohibition and requested a Hearing, the Notice of Hearing for which was issued on November 27, 2007.
- 16. That beginning in 2002 and continuing through present, respondents offered and sold Collateralized Note and stock to investors, including but not limited to investors in the State of Illinois.
- 17. That in December of 2007 the Respondents offered and sold stock in Infraegis to at least three Illinois Residents who were unaccredited investors.
- 18. That the respondent violated the 2007 Order by offering and selling securities in the State of Illinois during the time that they were prohibited.
- 19. That by virtue of the foregoing violations of the 2007 Order, respondent violated Sections 12.A and 12.D of the Act.

RELIEF REQUESTED

- 20. The aforementioned findings are based upon credible evidence.
- 21. That Section 11.E(4) of the Act provides, *inter alia*, that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.

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22. That by virtue of the foregoing, Respondent is subject to a fine, censure and costs of investigation pursuant to Section 11.E(4) of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130)(the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A <u>link</u> of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice. http://www.cyberdriveillinois.com/departments/securities/lawrules.html

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 27th day of May 2009.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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